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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-836]

Light-Walled Rectangular Pipe and Tube from Mexico: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that producers and/or exporters subject to this administrative review made sales of subject merchandise at less than normal value (NV) during the August 1, 2017 through July 31, 2018 period of review (POR). Interested parties are invited to comment on these preliminary results of review.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Samuel Brummitt or John Conniff, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7851 or (202) 482-1009, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 4, 2018, Commerce published in the *Federal Register* a notice of the

initiation of the administrative review of the antidumping duty (AD) order<sup>1</sup> on light-walled rectangular pipe and tube from Mexico for 19 companies.<sup>2</sup>

On November 5, 2018, we received a timely filed certification of no shipments of subject merchandise from Fabricaciones y Servicios de Mexico (FASEMEX).<sup>3</sup> Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 28, 2019.<sup>4</sup> On April 10, 2019, we further extended the time limit for completion of the preliminary results of the review to no later than October 10, 2019.<sup>5</sup>

For a complete description of the events that followed the initiation of the review, *see* the Preliminary Decision Memorandum.<sup>6</sup> The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and to all parties in the Central Records Unit, located in room B8094 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in

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<sup>1</sup> *See Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders; Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Notice of Amended Final Determination of Sales at Less Than Fair Value*, 73 FR 45403 (August 5, 2008) (*Order*).

<sup>2</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 50077 (October 4, 2018) (*Initiation Notice*).

<sup>3</sup> *See* FASEMEX's Letter, "Case No.: A-201-836 - Light-Walled Rectangular Pipe and Tube," dated November 5, 2018 (FASEMEX No Shipments Letter).

<sup>4</sup> *See* Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

<sup>5</sup> *See* Memorandum, "Light-Walled Rectangular Pipe and Tube from Mexico: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review; 2017-2018," dated April 10, 2019.

<sup>6</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results of Antidumping Duty Administrative Review: Light-Walled Rectangular Pipe and Tube from Mexico; 2017-2018," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

content. A list of topics included in the Preliminary Decision Memorandum is included in the Appendix to this notice.

#### Scope of the Order

The scope of this order covers certain welded carbon-quality light-walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4 mm. The term carbon-quality steel includes both carbon steel and alloy steel which contains only small amounts of alloying elements. Specifically, the term carbon-quality includes products in which none of the elements listed below exceeds the quantity by weight respectively indicated; 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.15 percent of vanadium, or 0.15 percent of zirconium.

The description of carbon-quality is intended to identify carbon-quality products within the scope. The welded-carbon quality rectangular pipe and tube subject to the order is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7306.61.50.00 and 7306.61.70.60. This tariff classification is provided for convenience and Customs purposes; however, the written description of the scope of the order is dispositive.

#### Methodology

Commerce is conducting this review in accordance with sections 751(a)(2) of the Tariff Act of 1930, as amended (the Act). Export price was calculated in accordance with section 772 of the Act. Normal value was calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

### Preliminary Determination of No Shipments

Prior to the issuance of the questionnaire, FASEMEX reported that it made no sales of subject merchandise during the POR.<sup>7</sup> On November 9, 2018, we placed the U.S. Customs and Border Protection (CBP) inquiry instructions on the record that we sent to CBP regarding FASEMEX's statement of no shipments.<sup>8</sup> We received no information from CBP contrary to the statements of no shipments from FASEMEX. Consistent with our practice,<sup>9</sup> we are not preliminarily rescinding the review with respect to FASEMEX. Rather, we will complete the review for FASEMEX and issue appropriate instructions to CBP based on the final results of this review.

### Preliminary Results of Review

We preliminarily determine that, for the period August 1, 2017 through July 31, 2018, the following weighted-average dumping margins exist:

<b>Producer/Exporter</b>	<b>Weighted-Average Margin (percent)</b>
Aceros Cuatro Caminos S.A. de C.V.	3.29
Arco Metal S.A. de C.V.	3.29
Galvak, S.A. de C.V.	3.29
Grupo Estructuras y Perfiles	3.29
Hylsa S.A. de C.V.	3.29

<sup>7</sup> See FASEMEX No Shipments Letter.

<sup>8</sup> See Memorandum, "Light-walled rectangular pipe and tube from Mexico (A-201-836)," dated November 9, 2018.

<sup>9</sup> See, e.g., *Certain Frozen Warmwater Shrimp from Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012-2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp from Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012-2013*, 79 FR 51306 (August 28, 2014).

Industrias Monterrey S.A. de C.V.	3.29
International de Aceros, S.A. de C.V.	3.29
Maquilacero S.A. de C.V.	2.48
Nacional de Acero S.A. de C.V.	3.29
PEASA-Productos Especializados de Acero	3.29
Perfiles LM, S.A. de C.V. <sup>10</sup>	3.29
Productos Laminados de Monterrey S.A. de C.V.	3.29
Regiomontana de Perfiles y Tubos S.A. de C.V.	3.80
Talleres Acero Rey S.A. de C.V.	3.29
Ternium Mexico S.A. de C.V.	3.29
Tuberia Laguna, S.A. de C.V.	3.29
Tuberias Aspe	3.29
Tuberias y Derivados S.A de C.V.	3.29

#### Disclosure and Public Comment

We will disclose to parties to the proceeding any calculations performed in connection with these preliminary results of review within five days after the date of publication of this

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<sup>10</sup> See *Light-Walled Rectangular Pipe and Tube from Mexico: Initiation and Expedited Preliminary Results of Changed Circumstances Review*, 82 FR 54322 (November 17, 2017) and accompanying Preliminary Decision Memorandum, unchanged in *Light-Walled Rectangular Pipe and Tube from Mexico: Final Results of Changed Circumstances Review*, 83 FR 13475 (March 29, 2018) (Commerce determined that Perfiles LM, S.A. de C.V. is the successor-in-interest to Perfiles y Herrajes).

notice.<sup>11</sup> Interested parties may submit case briefs not later than 30 days after the date of publication of this notice in the *Federal Register*.<sup>12</sup> Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.<sup>13</sup> Parties who submit case or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>14</sup> Case and rebuttal briefs should be filed using ACCESS.<sup>15</sup>

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance within 30 days of the date of publication of this notice.<sup>16</sup> Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, we intend to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.<sup>17</sup> Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case and rebuttal briefs, within 120 days of publication of these preliminary results in the Federal Register, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

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<sup>11</sup> See 19 CFR 351.224(b).

<sup>12</sup> See 19 CFR 351.309(c)(1)(ii).

<sup>13</sup> See 19 CFR 351.309(d)(1).

<sup>14</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>15</sup> See 19 CFR 351.303.

<sup>16</sup> See 19 CFR 351.310(c).

<sup>17</sup> See 19 CFR 351.310(d).

For any individually examined respondents whose weighted-average dumping margin is above *de minimis* (i.e., 0.50 percent), we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1).<sup>18</sup> We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is not zero or *de minimis*. If a respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review where applicable.

Regarding entries of subject merchandise during the period of review that were produced by Maquilacero and Regiopytsa and for which they did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate un-reviewed entries at the all-others rate of 3.76 percent, as established in the less-than-fair-value investigation, if there is no rate for the intermediate company(ies) involved in the transaction.<sup>19</sup> For a full discussion of this matter, see *Assessment Policy Notice*.<sup>20</sup>

In accordance with 19 CFR 356.8, we intend to issue liquidation instructions to CBP on or after 41 days after publication of the final results of this review.

### Cash Deposit Requirements

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<sup>18</sup> In these preliminary results, Commerce applied the assessment rate calculation methodology adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012).

<sup>19</sup> See *Order*, 73 FR at 45405.

<sup>20</sup> See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*).

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for each specific company listed above will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or in the investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be the all-others rate of 3.76 percent. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).



Dated: October 10, 2019.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.

## **Appendix**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Preliminary Determination of No Shipments
- V. Companies Not Selected for Individual Examination
- VI. Discussion of the Methodology
- VII. Currency Conversion
- VIII. Recommendation

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